

## Lesson 10.1 Starting with a Product

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. Consumers view products differently than the businesses that produce them do.
- T   2. The satisfaction provided from a product's use is more important to consumers than the physical appearance.
- F   3. Most consumer needs are so basic that businesspeople don't have to be concerned about them.
- F   4. One of the markets that businesses understand very well is the teenage market.
- F   5. If a product has been successful for a long time, it will probably remain successful since consumer needs seldom change.
- T   6. The failure rate for new products is very high and very expensive.
- T   7. Products will be successful if they meet consumer needs better than other choices.
- F   8. The main role of marketers in new product development is product design.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- A   9. To interest a consumer, a product must be
  - A. useful and meet the consumers' needs
  - B. physically attractive
  - C. low priced
  - D. all of the above
- C   10. Consumer needs should be defined by
  - A. marketers
  - B. businesses
  - C. consumers
  - D. all of the above
- D   11. A problem with using a test market for new products is
  - A. it is increasingly expensive
  - B. competitors are tipped off about a company's new marketing strategies
  - C. competitors will take actions to influence the test market results
  - D. all are correct

## Activity 1 • Influencing Purchase Decisions

**Directions:** Complete the following table for five products by identifying the reasons most people buy that product and the features of the product you believe are most important in influencing consumers to choose a particular brand. When you have finished, compare your answers with those of other students to determine if you are generally in agreement or disagreement.

Product	Reasons People Buy	Important Product Features
Energy drink	<i>Answers will vary.</i>	
Large screen television		
College degree		
Sunglasses		
Movie tickets		

## Activity 2 • Using Customer Ideas for Product Improvement

**Directions:** Many ideas for product improvements come from discussions with customers. Interview three people. Discuss a product each person recently purchased that did not satisfy his or her needs or perform as well as expected. Ask questions about the product's design, features, and performance. Discuss the problems experienced with the product and why they occurred. As a result of the discussion, make several recommendations on how the product could be improved.

Product	Evaluation/Problems	Suggestions
	<i>Answers will vary.</i>	

## Lesson 10.2 Components of the Product Mix Element

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. Offering a guarantee is a way to get consumers to switch to a more expensive product.
- T   2. Businesses have many choices in the development of new products to make their brand unique.
- T   3. In product design, the basic product is modified and improved with features and options.
- F   4. The least important part of a product is the basic physical product.
- F   5. Every product enhancement will add to customer satisfaction.
- T   6. An important way of improving customer satisfaction with products is to suggest the purchase of additional products that make the original product more useful.
- T   7. A product package serves the dual purpose of promotion and protection.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- B   8. A group of similar products with slight variations in the product mix to satisfy different needs in a market is a
  - A. marketing mix
  - B. product line
  - C. product assortment
  - D. product category
- D   9. Which of the following is *not* an important quality of a product's package?
  - A. ease of use
  - B. attractive
  - C. user safety
  - D. inexpensive
- A   10. The legal protection of words or symbols for use by a company is a
  - A. trademark
  - B. brand name
  - C. promotional logo
  - D. copyright

## Activity 1 • Product Components

**Directions:** Select two products that are commonly purchased by people your age. The first product should cost under \$5, and the second, more than \$50. Use the table below to identify three brands or variations of each product. Then list the differences among the three alternatives—features, options, uses, etc.

Product costing under \$5 \_\_\_\_\_

Brand or Variation	Product Differences
<i>Answers will vary.</i>	

Product costing more than \$50 \_\_\_\_\_

Brand or Variation	Product Differences

## Activity 2 • Package Design

**Directions:** In the space below, design a package for a new men's fragrance named Pow!. It will be sold in a 3 ounce glass bottle. The package should be attractive and attention getting while providing necessary protection for the product.

*Answers will vary.*

## Lesson 10.3 Products for Consumers and Businesses

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. Individuals or socially related groups who purchase products for personal consumption are known as consumer markets.
- F   2. Derived demand is the quantity of a product or service needed to meet the needs of the consumer.
- F   3. Examples of capital equipment are tools, small machines, and furniture.
- T   4. Most supplies are not uniquely developed for one business.
- T   5. The price of raw materials will have a big influence on the price the company charges for its finished products.
- T   6. Component parts have been either partially or totally processed by another company.
- F   7. Products are sold to either a consumer market or a business market but not both.
- F   8. Businesses can wait to determine whether products will be sold to business or consumer markets until after the products have been designed and produced.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- B   9. The quantity of a product or service needed to meet the needs of consumers is the
  - A. consumer market
  - B. direct demand
  - C. product classification
  - D. primary market
- D   10. The consumer purchase classification system is based on
  - A. the importance of the purchase to the consumer
  - B. the consumers' willingness to shop at different locations
  - C. the consumers' willingness to compare products before buying
  - D. all of the above
- C   11. Which of the following is *not* one of the categories in the business product classification system?
  - A. raw materials
  - B. supplies
  - C. unsought goods
  - D. component parts

## Activity 1 • Classifications

**Directions:** Classifications provide a method of organizing a variety of products and other items. For example, books can be classified as fiction, nonfiction, mystery, romance, and autobiographies. Identify several items that can be classified and list several categories into which the items can be organized.

*Answers will vary but could include music, movies, fabrics, housing types, plants, and animals.*

[illegible]

## Activity 2 • New Business Planning

**Directions:** New businesses are constantly being established. Each new business needs a variety of equipment and supplies. Select a new business. Identify one or more products the business will need to operate for each of the business product classifications.

Business Type: \_\_\_\_\_

[illegible]

## Lesson 10.4 New Product Development

### LESSON QUIZ

**Directions:** For each of the following statements, if the statement is true, write a T on the answer line; if the statement is false, write an F on the answer line.

- T   1. The Federal Trade Commission regulates how and when the word “new” can be used by businesses for their products.
- T   2. Most businesses follow a similar series of steps to identify and develop new products.
- T   3. Salespeople who work with customers every day are a good source of ideas for new products or product improvements.
- F   4. The easiest step in new product development is usually finding ideas for new products.
- F   5. Developing new product ideas should be done scientifically rather than using creative processes.
- F   6. To avoid having too many new product ideas, companies should evaluate ideas in the initial idea development stage.
- F   7. Companies should not be concerned about the financial analysis of a new product until after it is completely developed.
- T   8. A prototype is used to catch design errors before full scale production begins.

**Directions:** For each of the following items, decide which choice best completes the statement. Write the letter that identifies your choice on the answer line.

- C   9. Good sources of new product ideas are
  - A. encyclopedias
  - B. newspapers
  - C. problems experienced by customers
  - D. all of the above
- D   10. After determining that a product idea is feasible, the next step in product planning is to
  - A. perform a financial analysis
  - B. produce the product
  - C. identify a test market for the product
  - D. create and test a sample marketing strategy
- B   11. The last step in product development is
  - A. product testing
  - B. full-scale introduction of the product into the target market
  - C. financial analysis to determine profitability
  - D. asking consumers for their opinions of the new product

## Activity 1 • Putting Marketing Concepts Together

**Directions:** Product planning does not occur in a vacuum. It is an integral function of marketing that is supported and combined with all other functions to make a business, product, or service successful. Referring to concepts and ideas you have studied in earlier chapters, describe how planning and developing a new product is affected by each of the following areas. To help you get started, the first answer is provided.

1. Marketing concept: *New product should respond to specific customer needs and create satisfying exchanges between the business and its customers. It should be viewed as a value by consumers and result in a profit for the business.*  
\_\_\_\_\_  
\_\_\_\_\_
2. Societal concerns: *Answers will vary.*  
\_\_\_\_\_  
\_\_\_\_\_
3. Supply and demand: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Global marketplace: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
5. The type of competition: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
6. Existing products and markets: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
7. Consumer decision making: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
8. Marketing information and research: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. Each marketing mix element: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_